

August 30, 2005

Nebraska Public Service Commission
300 The Atrium
1200 N Street
Lincoln, NE

Dear Commissioners:

I am forwarding you my comments pertaining to the proceeding as designated NG-00300/PI-98.

As our natural gas buyer, I am concerned with many aspects of the decisions being made that affect our Gothenburg manufacturing facilities bottom line operating costs. Under LB499 we received a "grandfathered waiver" that allowed Baldwin's Gothenburg facility to purchase our natural gas as a Type 2 customer. This waiver has given me the ability to purchase our gas at more competitive rates. As you are aware of the volatility of the natural gas market, having this ability allows me to purchase gas on a monthly basis, and allows me more control over our gas utility costs. In having to purchase our gas as a Type 1 customer, I am forced to purchase my gas during a two week period in April, along with every Type 1 customer that is constrained to that time period. In losing this capacity, I am losing a competitive advantage in reducing our utility costs for the products we manufacture in Gothenburg. I request that the commission make the waiver we once had permanent for our Gothenburg account so I can continue to purchase our gas as a Type 2 customer.

Another cost that we are incurring now, due to the Type 1 account status, is surcharges for transportation of our gas supply. Our estimated surcharges for our Gothenburg facility will cost Baldwin Filters an additional one-thousand dollars a month based on our usage data. In the future, with these additional utility costs at the Gothenburg location, we will be less likely to be positioned to grow our business at this location because of these factors. With these issues upsetting our abilities to control our manufacturing costs I ask this commission to reconsider their position and allow Baldwin Filters the ability to conduct business in Gothenburg without the constraints of being a Type 1 customer.

Respectfully submitted,

Corey J. Cronin
Technical Services Manager
Baldwin Filters

